

CITY AUDITOR'S OFFICE



ANNUAL AUDIT RECOMMENDATION FOLLOW-UP

AS OF JUNE 30, 2008

Report No. CAO 2600-0809-03

October 9, 2008

RADFORD K. SNELDING, CPA, CIA, CFE

CITY AUDITOR

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Annual Audit Recommendation Follow-Up
Report No. CAO 2600-0809-03
October 9, 2008

BACKGROUND





The City Auditor's Office has provided 1,052 audit recommendations requiring corrective action to City Departments since January 1, 1999. This report summarizes the status of these audit recommendations as of June 30, 2008.

OBJECTIVES

The objective of our follow-up program is to ensure that audit recommendations are being appropriately addressed by City management and to track the status of the recommendations. Much of the benefit from audit work is not in the findings reported or the recommendations made, but in their effective resolution. City management is responsible for addressing audit recommendations. This follow-up is a process to help management fulfill this responsibility.

SCOPE AND METHODOLOGY

Our follow-up program is in accordance with Operating Instruction A. 210 of the City Auditor's Office Operating Instruction Manual. The status of each audit recommendation is identified using the following classifications:

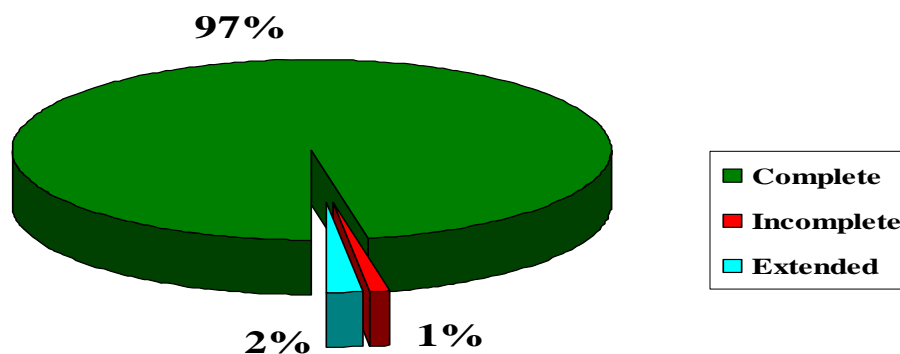
	Complete	The recommendation has been implemented or some other action has been taken to effectively correct the deficiency.
	Incomplete	The recommendation has not been implemented.
	Extended	The recommendation has not been implemented due to circumstances beyond the department's control.
	Not Due	Due date identified by management has not passed.

For each audit recommendation City management provides an estimated completion date. An audit recommendation is classified as being Not Due until this date has passed and then the audit recommendation becomes Incomplete or Extended. An audit recommendation remains in one of these classifications until City management completes the recommendation and notifies our Office. Subsequently, audit staff obtain and evaluate evidence supporting management's representation. If the evidence demonstrates that the recommendation has been adequately addressed, the auditor identifies the recommendation as being Complete.

CONCLUSION

The accompanying chart and tables (pages 2 to 4) summarize the status of the audit recommendations in total and by department. Following the chart, each audit recommendation is classified as Incomplete, Extended, or Not Due and listed by department. The Management Action Plan response was obtained from the original audit report. While city management has made progress toward the implementation of the audit recommendations contained in the various reports, additional efforts should be made in finalizing incomplete recommendations.

1,052 Recommendations January 1999- June 2008



	COMPLETE 1,017	INCOMPLETE 13	EXTENDED 20	NOT DUE 2	TOTAL 1,052
2007-2008	36	7	4	1	48
2006-2007	54	6	1	1	62
2005-2006	67	0	4	0	71
2004-2005	71	0	3	0	74
2003-2004	39	0	0	0	39
2002-2003	88	0	0	0	88
2001-2002	155	0	3	0	158
2000-2001	113	0	0	0	113
1999-2000	394	0	5	0	399

13 Incomplete Recommendations Summary

DEPARTMENT	Fiscal Year		
	2006-2007	2007-2008	TOTAL
Fire & Rescue	0	4	4
Information Technologies	2	--	2
Leisure Services	4	--	4
Office of Administrative Services	--	3	3
TOTAL	6	7	13

1,017 Complete Recommendations Summary

DEPARTMENT	Fiscal Year									TOTAL
	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	
AFI	--	--	11	--	--	--	--	--	--	11
Building & Safety	54	1	--	--	--	--	--	7	4	66
City Attorney	--	--	--	--	1	--	--	--	--	1
City Manager	14	8	1	5	6	9	--	--	--	43
Detention & Enforcement	2	6	6	--	--	--	12	1	1	28
Field Operations	3	--	22	25	--	23	5	--	5	83
Finance & Business	43	31	43	26	2	5	3	11	4	168
Fire & Rescue	30	--	--	--	--	--	--	--	3	33
Human Resources	41	32	--	26	2	2	--	--	5	108
Information Technologies	83	--	37	--	--	4	--	8	--	132
Leisure Services	87	2	24	6	--	27	44	9	2	201
Municipal Court	29	10	--	--	--	--	3	1	--	43
Neighborhood Services	--	--	--	--	4	--	--	8	--	12
Office of Administrative Services	--	--	--	--	--	--	--	--	12	12
Office of Business Development	--	--	--	--	21	--	--	--	--	21
Office of Communications	--	--	--	--	--	--	--	9	--	9
Planning & Development	8	--	--	--	3	--	--	--	--	11
Public Works	--	23	11	--	--	1	--	--	--	35
TOTAL	394	113	155	88	39	71	67	54	36	1,017

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DETAIL:
DEPARTMENTAL AUDIT
RECOMMENDATION FOLLOW-UP

Building and Safety

Due Date: 11/15/2006 Extended

- 1** 0752 0607 07 Review of Building and Safety Department Express Inspections
05. Monthly Performance Report

Recommendation:

Building and Safety management should develop a more accurate method of calculating monthly performance data.

Management Action Plan (November 9, 2006):

Daily reports are sent to Finance and the Cashier Supervisor. Daily Reports are kept until quarterly audits by a supervisor and periodic audits by the City Auditor.

Auditor: N. Beaty

Building and Safety

Due Date: *01/31/2008-R. Extended
11/30/2007-O.

- 2** 0753 0708 01 Audit of Building and Safety
01. Legacy System Control Deficiencies

Recommendation:

Building and Safety management should continue with their monitoring efforts until the Legacy System has been retired.

Management Action Plan (August 10, 2007):

No design changes – transitioning to Hansen

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Building and Safety

Due Date: 03/31/2008

Extended

- 3** 0753 0708 01 Audit of Building and Safety
 03. Hansen Expired Permit Fee Assessment

Recommendation:

Building and Safety management should resolve the expired permit fee function deficiencies. Once the issues are resolved, the process should be documented and staff instructed of established procedures.

Management Action Plan (August 10, 2007):

- Problems with incorrect expiration of permits: This trigger has been disabled and is currently being re-designed by the Hansen Project Team.
- As an interim solution, a new policy has been put in place that all permit renewals must go through a Supervisor for approval and pricing.

Auditor: N. Beaty

Building and Safety

Due Date: *06/30/2008-R.

Extended

12/31/2007-O.

- 4** 0753 0708 01 Audit of Building and Safety
 06. Performance Reports

Recommendation:

Building and Safety management should develop and document more accurate methods for calculating monthly performance reports.

Management Action Plan (August 10, 2007):

- Data entry error and variance in reporting still to be resolved.
- Valuation report has some data entry problems which can be addressed once we are fully on Hansen by producing an automated report. A new valuation report will be available by the end of October '07.
- A new cashiering system will be in place with Hansen by the end of November '07.

A new revenue report will be generated from Hansen in December '07 with a few additions from Legacy/Mainframe such as Sign permits, Express Inspections & Refees on existing Legacy permits. The new report will be cross-checked for accuracy against the existing Oracle reports in September and October.

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Building and Safety

Due Date: 08/10/2007

Extended

- 5** 0753 0708 01 Audit of Building and Safety
07. Computer Access

Recommendation:

Building and Safety management should develop, document, and implement a process to ensure that computer system access is changed when an employee changes job responsibilities, takes a position in another department, or leaves employment with the City. This process should include a periodic review of computer access matrices to verify that all changes have been implemented.

Management Action Plan (August 10, 2007):

- Reviewed IT regulations:
 - IT has new policy in place to review users on a regular schedule and cross-check against existing employees.
 - B&S to also follow-up with IT when members change or job responsibilities change.

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Detention and Enforcement

Due Date: 12/31/2006

Extended

6 1401 0506 06 Audit of Detention and Enforcement Training Unit

01. Training Database Limitations

Recommendation:

D&E management working with Training should evaluate alternative training software packages that will better meet the needs of Training and the entire Department. D&E management should purchase and implement new training software. The training software package should include, at a minimum, the following functions:

- Functions that allow for efficient, consistent, and accurate data entry of training attended.
- Decision making functions to allow for automatic evaluation of the training status of employees against D&E policies, and P.O.S.T., ACA, and CALEA standards.
- Read-only access and report generation capabilities by other D&E units for independent verification of the accuracy of their training records.
- Reporting functions that effectively summarize the training status of employees.
- Audit trail features to track changes to the system.

Management Action Plan (June 27, 2006):

Management and training have evaluated alternative training software packages. We are in the process of selecting a package with input from City Information Technologies. Once the software has been purchased, implementation will include training and configuration.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Detention and Enforcement

Due Date: 12/31/2006

Extended

- 7 1401 0506 06 Audit of Detention and Enforcement Training Unit
02. Training Database Differences

Recommendation:

Training should develop, document, and implement a standard protocol for data input into the training database. This protocol should include, at a minimum, the following:

- Standard course titles for classes attended by employees.
- Standards for identification of date of training when a training course is held over a period of days.
- Standards for documentation of authorized firearms.
- Standards for documentation of firearm qualifications, whether an officer passed or failed, and remedial training.
- Standards for entry of new employees into the database.

Management Action Plan (June 27, 2006):

A standard protocol for data entry has been developed and is a component of the specifications identified for the software evaluation. Once the software has been selected and purchased, implementation will include training and configuration.

Auditor: B. Smith

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date identified by management has not passed.
Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Field Operations

Due Date: 06/30/2005

Extended

- 8** 1701 0405 05 Audit of Durango Hills Golf Course Management Contract
 07. 01. Property Tax

Recommendation:

The Project Manager should seek formal resolution from the City Attorney's Office as to whether the current outsourcing arrangement for DHGC qualifies for tax exemption.

Management Action Plan (April 14, 2005):

The Project Manager should certainly be involved, however, a directive for formal resolution from the City Attorney's Office would be more appropriately made from the City Manager's Office.

Auditor: W. Cimo

Field Operations

Due Date: 06/01/2006

Extended

- 9** 1702 0506 02 Audit of City Vehicle Replacement Program
 02. 01. Projected Vehicle Useful Lives

Recommendation:

The Fleet Services Manager should assign each vehicle's projected useful life based on the history of the vehicle being replaced and the projected annual usage.

Management Action Plan (October 12, 2005):

Fleet Management and Finance will establish criteria for the assignment of useful life.

At a minimum, the process will address historical trending, projected use, and governmental accounting guidelines.

As we discussed, the use of a fleet specific Fleet Management software program, as opposed to the City's current Hansen Program, would make this an easier task to accomplish. Indeed, the consultant that was hired by the Auditing department was surprised that we use the Hansen program and advocated a canned fleet management program to replace it. Estimated cost of this type of program is \$100,000. There are sufficient reserves in the Divisional operating budget to cover this expense. In the absence of this type of program, an internal review of vehicles and equipment's useful lives, though cumbersome under Hansen, would be utilized.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Field Operations

Due Date: 01/03/2006

Extended

- 10** 1702 0506 02 Audit of City Vehicle Replacement Program
02. 02. Projected Vehicle Useful Lives

Recommendation:

The Fleet Services Manager should consider rotating low-use and high-use vehicles among staff/departments to balance and optimize the use of all vehicles in the fleet.

Management Action Plan (October 12, 2005):

Dovetails with item 2.1 above. A fleet specific software program will make this a doable task in a timely fashion. The Vehicle Advisory Committee (more fully discussed in recommendation 3.1 below) would be charged with making recommendations to allocate the City's vehicular fleet, that is not assigned to specific individuals, to maximize their usefulness. This committee should have the authority to direct changes to the fleet configuration where resistance is encountered and, quite frankly, expected.

Auditor: B. Smith

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date identified by management has not passed.
Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date: 10/01/2001

Extended

- 11** 1501 0102 02 Audit of Wastewater Pollution Control Facility and Sewer Services
B. 02. 01. Sewer Fee Billings

Recommendation:

Sewer Services management should change the sewer services billing to a quarterly billing cycle and adjust the penalty policies to align with this change.

Management Action Plan (August 8, 2001):

The Business Services Division (BSD) is recommending a proposed Municipal Code change to a quarterly billing cycle where the penalty fee would be assessed on the outstanding balance for the quarter rather than the unpaid balance of the bill. These code changes are projected for implementation around October 2001.

Regarding the incorporation of sewer fees into annual property taxes, we do not believe it is economically or operationally feasible at this time. We estimate that our cost to perform the billing function (including treasury, technology, sewer billing, and mail room support) does not exceed \$250,000 annually. Obviously, this cost is passed on to the property owners in the form of sewer rates. The Nevada Revised Statutes (NRS) would need significant revision to allow the County to include routine City sewer bills with the property tax. Such a change would also require a change in the City billing cycle which is currently based on the start of service, not on the fiscal tax year. Since the NRS currently provides for a 4 percent surcharge by the County Treasurer for the delinquent sewer service charges it collects on the annual property tax roll, it is difficult to imagine they would be willing to handle all sewer billings for less than that statutory rate. Note that this 4 percent fee is passed on to the property owner. If all charges were billed through the County Treasurer, their estimated fees would approach \$1.5 million, far exceeding what the property owners currently pay for City billing service. The City would still be responsible for inspections and customer service inquiries, functions that the County will not be able to execute. Consequently, the Business Services Division does not see an advantage for the rate-payer in using the County Treasurer for all billings at this time.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date: 12/31/2002

Extended

- 12** 1501 0102 02 Audit of Wastewater Pollution Control Facility and Sewer Services
B. 04. 01. Performance Reports

Recommendation:

Sewer Services should create a monthly performance report with additional performance data needed by upper management.

Management Action Plan (August 8, 2001):

As mentioned, the BSD anticipates converting the current sewer billing system to the Oracle-based Hansen Industries system. The new system, fully integrated with the planning, building inspection, public works, business licensing, and finance functions, will allow for the creation of many different management reports. In order to best allocate personnel resources (both BSD and Information Technology), no changes will be made to the legacy system, but rather the improved management reports will be focused on the new Hansen system when it is brought up in late Fall, 2002.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date: 12/31/2002

Extended

- 13** **1501 0102 02** **Audit of Wastewater Pollution Control Facility and Sewer Services**
B. 04. 02. Performance Reports

Recommendation:

For information that is not easily accessible from the sewer service system, Sewer Services should work with Information Technologies to access this data.

Management Action Plan (August 8, 2001):

As mentioned, the BSD anticipates converting the current sewer billing system to the Oracle-based Hansen Industries system. The new system, fully integrated with the planning, building inspection, public works, business licensing, and finance functions, will allow for the creation of many different management reports. In order to best allocate personnel resources (both BSD and Information Technology), no changes will be made to the legacy system, but rather the improved management reports will be focused on the new Hansen system when it is brought up in late Fall, 2002.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date: 10/04/2005

Extended

- 14** 2001 0405 03 Audit of Controls Over City Utility Payments And Costs
03. 01. Allocation of Utility Costs

Recommendation:

In conjunction with the development of a utility usage monitoring program, the Department of Finance should develop and implement a more extensive utility cost allocation program.

Management Action Plan (April 4, 2005):

The issues brought forth in the audit will need to be addressed through organizational change. To that end, the City Manager's Office has created a Utility Management Task Force to address the issues. The Task Force will include, at a minimum, representatives from Finance and Business Services, Field Operations, Public Works, and Information Technologies. The Task Force will facilitate the development of a coordinated process for obtaining, managing and processing payments for utility services, specifically power, water, gas, cable, and solid waste.

The process will include identification and analysis of existing processes and lines of responsibility. It will identify the functional needs of utility stakeholders and create both an organizational as well as a technical solution to manage the program. This Task Force will address the recommendations brought forward in Findings 1 through 6.

We estimate addressing organizational needs in six months, and technological needs in 15 to 18 months. We appreciate the efforts of the auditors in their review of this process and look forward to their continued input as we respond to their findings.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Finance and Business Services

Due Date: 07/01/2008

Not Due

- 15** **0601 0607 06** **Audit of Financial Services Grant Fiscal Administration**
01. **Allocation of Indirect Costs for Federal Grants**

Recommendation:

City Management should review the benefits and costs identified in this audit for an indirect cost allocation plan for Federal Grant Awards and evaluate whether such a plan would be beneficial to the City.

Management Action Plan (October 18, 2006):

Financial Services Division will evaluate cost allocation methodologies and goals to develop a comprehensive cost allocation strategy.

Auditor: N. Beaty

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date identified by management has not passed.
Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Fire and Rescue

Due Date: 06/30/2008

Incomplete

- 16** 1301 0708 05 **Audit of Fire and Rescue: Fire Investigations - Bomb Squad**
01. **Federal Grant Requirements**

Recommendation:

Fire Investigations should modify their property records for equipment purchased with Federal grant funding to include the source of the property, who holds title, and the percentage of Federal participation in the cost of the property.

Management Action Plan (January 22, 2008):

The property records for the Bureau of Fire Investigations Bomb Squad is located on a Unit only internal Excel Spreadsheet and will be adjusted to reflect source of property (UASI, SHSP) etc., holder of title and percentage of federal participation. This is just a matter of data input to an already existing database.

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Fire and Rescue

Due Date: 06/30/2008

Incomplete

- 17** 1301 0708 05 Audit of Fire and Rescue: Fire Investigations - Bomb Squad
04. Evidence Chain of Custody

Recommendation:

Fire Investigations should complete the following to ensure the chain of custody for evidence has been properly documented and secured:

- Investigators should be reminded of the importance of adhering to existing policies and procedures relating to the proper handling of evidence.
- Compliance with the policies and procedures for collecting and storing of evidence should be periodically tested to ensure continual compliance with the proper handling of evidence.
- Supplies stored in the evidence room should be relocated to another location to ensure that the evidence room has restricted access.
- Periodically, a systematic evaluation should be completed to determine whether evidence can be destroyed or returned to the owner. Once proper authorization is obtained and documented, the evidence should be destroyed or released.
- A comprehensive inventory of all stored evidence should be completed and maintained.

Management Action Plan (January 22, 2008):

A Memorandum will be drafted to remind Unit personnel about evidence procedures. Supplies from the evidence room will be removed when the renovation of Station 8 has concluded and those supplies can be moved. The evidence room will then remain a stand alone room specifically for evidence. Firefiles has the capability to track all evidence, however an Excel Spreadsheet will be developed to support all evidence in existence and track its location. An evidence evaluation/destruction plan will be developed to occur annually. It should be noted that probably 99% of evidence held is in the form of fire debris. The Unit does not collect firearms, jewelry, money, or other tangible items except for perhaps clothing that may identify a suspect.

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Fire and Rescue

Due Date: 06/30/2008

Incomplete

- 18** 1301 0708 05 Audit of Fire and Rescue: Fire Investigations - Bomb Squad
 05. Uniform Crime Reporting Program

Recommendation:

Fire Investigations should report these discrepancies to Public Safety.

Fire Investigations is in the process of converting to FireFiles software for their investigation case files. The software features report creation capabilities that will enable them to produce performance reports relating to their cases. Fire Investigations should test the accuracy of the FireFiles performance reports by calculating their manual arson statistics and comparing the results to arson statistics reports generated by FireFiles. Any differences between the two reporting systems should be reconciled and issues with the FireFiles reports should be resolved. Once it has been determined that the FireFiles reports accurately represent arson statistics, Fire Investigations can completely convert to the FireFiles performance reporting process.

Management Action Plan (January 22, 2008):

The Firefiles monthly report query program is being built and awaiting upgrade. Manual statistics will continue with a careful reconciliation regarding end of the month data.

Auditor: N. Beaty

Fire and Rescue

Due Date: 06/30/2008

Incomplete

- 19** 1301 0708 05 Audit of Fire and Rescue: Fire Investigations - Bomb Squad
 06. Arson Incident Performance Indicator

Recommendation:

Fire Investigations should adjust the errors noted above relating to the summarized annual arson incidents cleared by arrest statistics. In addition, the multi-year arson clearance percentage should be calculated using a single average for the entire period.

Management Action Plan (January 22, 2008):

Any discrepancies in the UCR Data will be reported to the Department of Public.

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Human Resources

Due Date: 09/30/2008 Not Due

- 20** **0501 0708 07** **Human Resources - Personnel Services - Employee Records Audit**
 05. Personnel Services Record Retention Schedule

Recommendation:

Personnel Services management should work with the City's Records Administrator to update the record retention schedule to ensure that it conforms to the Local Government Records Retention Schedule.

Management Action Plan (June 30, 2008):

The city's Records Administrator has now provided the finalized Records Retention Schedule for the Personnel Services Division. Prior to receipt of the division schedule, Personnel Services met with the Records Administrator to both settle unresolved issues we had attempted to resolve earlier and to make necessary revisions to ensure compliance with the state mandated records retention requirements. However, because the entire department has not completed its assessment and review with the Records Administration, this audit finding will not be identified as complete until all divisions have gone through the process.

Estimated Date of Completion: The final adoption of the complete HR schedule is subject to review and sign off by department director. Approximate completion date for the entire schedule: September 30, 2008.

Auditor: N. Beaty

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date identified by management has not passed.
Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Information Technologies

Due Date: 10/04/2005

Extended

21 2001 0405 03 Audit of Controls Over City Utility Payments And Costs

01. 02. Utility Usage Monitoring

Recommendation:

In conjunction with the development of the utility usage monitoring program, Information Technologies should evaluate the needs of this program and use this information in establishing utility processing on a new systems platform.

Management Action Plan (April 4, 2005):

Information Technologies Management agrees that a program to monitor usage would establish the bases for identifying support solutions. The functional needs of the program, as well as whom and how many would be using it will help I.T. determine the appropriate system requirement. Early identification of the software requirements, users, and access will aid in the determination of the hardware component requirement as well. Additionally, the assessment of third party monitoring tools in the market could both automate and accelerate the discovery of system solutions and the implementation process.

Auditor: B. Smith

Information Technologies

Due Date: 08/03/2007

Incomplete

22 2005 0607 10 Audit of City Cell Phone Charges

02. 01. Business or Personal Call Accountability

Recommendation:

Management should establish a control system for ongoing monitoring of cell phone usage. Cell phone costs are based on total usage, both local and long distance are billed the same. If employees were encouraged to use desk phones, where possible, overage charges could be significantly reduced.

Management Action Plan (April 11, 2007):

All cell phones will be placed in a pooled minutes plan with each vendor eliminating any overage charges. Reminders about City policy and suggested alternatives practices will be distributed to users.

Auditor: P. Marmurowski

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Information Technologies

Due Date: 07/02/2007

Incomplete

- 23** 2006 0607 11 Audit of Citywide Long Distance Telephone Calls
01. Accountability

Recommendation:

Management should establish a more active and ongoing monitoring program over long distance call usage.

Management Action Plan (April 11, 2007):

IT will provide monthly departmental reports of users that exceed established usage thresholds to ensure minimal misuse of long distance. However, based the recommendation in the Cell Phone Audit to encourage use of desk phones for long distance calls, the use and cost of long distance call services may increase.

Auditor: P. Marmurowski

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date: 10/31/2006

Incomplete

24 **1601 0607 05** **Audit of Safekey Payment Collection Controls**
02. **Payment Collection Oversight**

Recommendation:

Safekey management should implement the following procedures to improve the oversight of Safekey operations and reduce the risk of skimming:

- Develop documented procedures for completing reconciliations of Safekey participants to payments for both manual and computer site locations.
- Require recreation leaders (or others) to perform regular unannounced reconciliations of children in attendance to payments to identify unpaid amounts, unrecorded payments, and inappropriate payment collection practices. Unpaid amounts should be followed-up on to ensure payment is either made or recorded on the Late Payment Log.
- Implement measures to increase monitoring of the morning Safekey operations.
- Develop, document, and implement formal procedures for reviewing payment cancellations and registration withdrawals.
- Require recreation leaders to identify undistributed customer receipts at Safekey sites and take appropriate measures to get receipts distributed.

Management Action Plan (September 8, 2006):

Agree with recommendations. Management will develop documented procedures for completing reconciliations of Safekey participants to payments for both manual and computer site locations.

- Starting this school season management will require recreation leaders (or others) to perform regular unannounced reconciliations of children in attendance to payments to identify unpaid amounts, unrecorded payments, and inappropriate payment collection practices. Unpaid amounts will be followed-up on to ensure payment is either made or recorded on the Late Payment Log.
- Starting this school season management will implement measures to increase monitoring of the morning Safekey operations.
- Starting this school season management will develop, document, and implement formal procedures for reviewing payment cancellations and registration withdrawals.
- Starting this school season management will require recreation leaders to identify undistributed customer receipts at Safekey sites and take appropriate measures to get receipts distributed.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date: 10/31/2006

Incomplete

- 25** 1601 0607 05 Audit of Safekey Payment Collection Controls
 04. Unpaid Balance Collections

Recommendation:

Safekey management should document Safekey's unpaid balance collection program including the following areas:

- Roles and responsibilities of site leaders in this program.
- Roles and responsibilities of recreation leaders in this program.
- Collection procedures to be followed for both manual and computer sites.
- Forms/reports to be used.
- Timetable for submittal of information to recreation leaders, Safekey management, and Finance.

Management Action Plan (September 8, 2006):

Manuals and Cash handling policies corrected, waiting to be printed. SK Rec. Ldr. Manual to be developed.

Auditor: B. Smith

Leisure Services

Due Date: 10/31/2006

Incomplete

- 26** 1601 0607 05 Audit of Safekey Payment Collection Controls
 05. Safekey Records

Recommendation:

Safekey Management should evaluate the noted deficiencies in the Weekly Attendance Report and Sign-In/Out Sheets and determine how these deficiencies can be most effectively addressed. The current forms/reports could be revised or new forms/reports created. Direction on the use of these documents should be documented and clearly communicated to staff.

Management Action Plan (September 8, 2006):

Set meeting with Auditors to revise forms/reports for better audit trail.

Auditor: B. Smith

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date identified by management has not passed.
Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Leisure Services

Due Date: 12/31/2006

Incomplete

- 27 1601 0607 05 Audit of Safekey Payment Collection Controls**
06. Payment Processing Using Computers

Recommendation:

Leisure Services management should evaluate the identified Safekey system payment processing issues and determine what system enhancements or manual procedures could be implemented to address these issues. Policies and procedures on the use of the computer at Safekey sites should be created, documented, and shared with Safekey staff.

Management Action Plan (September 8, 2006):

LS will evaluate the system payment processing issues and determine what system enhancements or manual procedures could be implemented to address these issues. Laptop policies and operating procedures have been developed (with additional information to be added) and given to Safekey staff. Additionally, the following procedures have been put in place:

- a. All children must have a participation form filled out before attending the program.
- b. If a child shows up at a Safekey site and there is no participation form the child is returned to the school office.
- c. Payments are due on Friday for the next week. If payment is not made, late fees are assessed at \$5/day until payment is made and participant must pay the daily rate for the week. Payment may be made for the whole week or paid daily.
- d. If participant goes a second week without payment, they are removed from the program.
- e. Sign in/out sheets are checked against the payment log to make sure that those attending have paid for the program.
- f. Rates for the program have been narrowed down to a daily rate or a weekly rate.
- g. At present 30 of the 67 sites have computers with the goal that all sites will be on the CLASS system by fall 2008. This will make it much easier to check on registrations and payments made as they will be administered by the CLASS system. The only problem that some sites may have is the availability of wireless internet access. IT is assisting in this problem.

Auditor: B. Smith

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date identified by management has not passed.
Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Municipal Court

Due Date: 06/30/2000

Extended

- 28 1999 07 Las Vegas Municipal Court
 B. 03. i. Correspondence With Defendants

Recommendation:

In order to increase the effectiveness of the postcard mailings and avoid future waste in postage costs, management of the Court should work with the Information Technologies Department in making the required programming changes to ensure that the addresses being used for mailing are the most current in the System.

Management Action Plan (September 20, 1999):

Management of the Court will work with IT in making these programming changes. We estimate that the required programming changes will be made in June 2001.

Auditor: B. Smith

Municipal Court

Due Date: 06/30/2000

Extended

- 29 1999 07 Las Vegas Municipal Court
 B. 03. ii. Correspondence With Defendants

Recommendation:

Management of the Court should work with the Information Technologies Department in developing the capability within the Court System for recording the history of all correspondence with defendants. The history of all correspondence should be retained and accessible for review on a consolidated basis via a screen or report. Changes to the correspondence history should be restricted. Implementation of this capability within the Court System will improve the efficiency of court personnel working on individual cases and customer service.

Management Action Plan (September 20, 1999):

Most, if not all, of the above recommendations will be implemented in the new computer system(s) in working towards a Court-wide paperless environment.

Auditor: B. Smith

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Municipal Court

Due Date: 06/30/2000

Extended

- 30** 1999 07 Las Vegas Municipal Court
 C. 02. iii. User Passwords For Court System

Recommendation:

System access logs should be created and reviewed periodically by management for unusual access attempts.

Management Action Plan (September 20, 1999):

In designing the new Court system, system access logs will be requested and procedures implemented for their review.

Auditor: B. Smith

Municipal Court

Due Date: 06/30/2000

Extended

- 31** 1999 07 Las Vegas Municipal Court
 C. 04. ii. Limits On Cash In Drawers

Recommendation:

The Court System should be improved to allow clerks to determine how much cash they have collected.

Management Action Plan (September 20, 1999):

Management will look into the possibility of the legacy computer system keeping track of and indicating the amount of cash in each drawer.

Auditor: B. Smith

Incomplete: Not implemented.
 Extended: Not implemented due to circumstances beyond the department's control.
 Not Due: Due date identified by management has not passed.
 Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Municipal Court

Due Date: 06/30/2000

Extended

- 32** **1999 07** **Las Vegas Municipal Court**
D. 02. **Bail Register Report Errors**

Recommendation:

Court management should further investigate the errors within the Bail Register and procedures should be implemented to identify and monitor these errors in a more timely manner until the programming errors can be corrected. Court management should work with IT in addressing these issues.

Management Action Plan (September 20, 1999):

The Court has looked into these differences and has pinpointed the problems. The problems must be corrected through computer programming. We will continue to work with IT to correct them and in the meantime continue to manually research and correct the errors.

Auditor: B. Smith

Incomplete: Not implemented.
Extended: Not implemented due to circumstances beyond the department's control.
Not Due: Due date identified by management has not passed.
Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Office of Administrative Services

Due Date: 03/31/2008

Incomplete

- 33 1602 0708 06 Durango Hills Community Center Contract Compliance Audit
05. Financial Analysis of Contractor Records

Recommendation:

The Project Manager should work with Finance to evaluate how to best analyze the monthly financial information provided to the City. If a decision is made to continue with the comparison of the two community centers, the flaws in methodology and inconsistencies should be addressed.

Management Action Plan (February 22, 2008):

The Project Manager has requested that the YMCA supply the following information on a monthly basis:

- Profit and Loss Statement (Already submitted monthly)
- Revenue Statements
- Membership Reports
- Bank Reconciliation Reports

The Fiscal Project Lead in the Finance & Business Services Department will conduct a monthly review of all documents to ensure that the YMCA is reporting accurately.

All documents requested will be sent directly to the Project Manager and forwarded to the Project Lead in the Finance & Business Services Department.

Estimated Date of Completion:

The YMCA will begin sending the requested documents in March 2008.

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Office of Administrative Services

Due Date: 03/31/2008

Incomplete

34 1602 0708 06 Durango Hills Community Center Contract Compliance Audit
07. City Bank Account

Recommendation:

The Project Manager should:

- Coordinate with Finance to establish monitoring procedures for the City Account.
- Determine if additional information should be provided by the YMCA.
- Ensure that the signature card is updated and remains current.

Management Action Plan (February 22, 2008):

- The Fiscal Project Lead will monitor the City's account on a monthly basis.
- In addition to the profit and loss statements, the YMCA will provide revenue statements, membership reports, and reconciliation reports.
- The YMCA will investigate and submit the appropriate documentation. The Fiscal Project Lead will ensure that the appropriate documentation is submitted on or before June 30 of every year.
- The City's Finance and Business Services Department will review and update, if needed, the signature card on or before June 30 of every year.

Estimated Date of Completion:

The request has been submitted to the YMCA and the documentation and review process will begin by March 2008.

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.

Office of Administrative Services

Due Date: 03/31/2008

Incomplete

35 1602 0708 06 Durango Hills Community Center Contract Compliance Audit
12. Other Governmental Permits

Recommendation:

The Project Manager should:

- Request that the YMCA obtain and provide copies of current pool health and boiler permits in the name of the appropriate organization.
- Implement procedures to ensure that all operating permits remain current.
- Request that the YMCA forward copies of correspondence, permits, and reports from all governmental agencies relating to the operations of the Center.
- Review correspondence and reports from regulatory agencies to determine the impact on the operations of the Center and compliance with Agreement provisions.

Management Action Plan (February 22, 2008):

- A letter will be sent to the YMCA requesting that all appropriate health and boiler permits be transferred into the City's name. Field Operations staff and the City's Safety/Loss Prevention Officer will ensure the timely renewal of such permits.
 - A meeting with representatives from the YMCA, City, and applicable regulatory agencies may be set up in order to determine how the permits should read.
- The status of the permits will be checked on or before June 30 of each year.
- A letter will be sent to the YMCA requesting that all correspondence, permits, and reports from all governmental agencies relating to the operations of the Center be forwarded to the Program Manager.
- All reports from regulatory agencies will be reviewed by the appropriate staff as determined by the Program Manager.

Auditor: N. Beaty

Incomplete: Not implemented.

Extended: Not implemented due to circumstances beyond the department's control.

Not Due: Due date identified by management has not passed.

Due Date: *R.= Revised / O.= Original

Management Action Plan response was obtained from the original audit report.